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December 9, 1998

OFFICE OF THE SECRETARY

EX PARTE

Ms. Magalie Roman Salas, Secretary Federal Communications Commission 1919 M Street, N.W., Room 222 Mail Stop 1170 Washington, D.C. 20554

RE: CC Docke

CC Docket No. 98-147, Deployment of Advanced

Telecommunications Services

Dear Ms. Salas:

On Monday, December 7, 1998 members of the computer industry, representing Intel, Compaq, Microsoft, Gateway and the Information Technology Industry Council, and members of the telecommunications industry, representing BellSouth, Bell Atlantic, GTE, SBC and U S WEST, met with Commissioner Gloria Tristani and Paul Gallant to discuss the attached list of ten shared core principles whose adoption will speed the development of the information economy.

In accordance with Section 1.1206(a)(2) of the Commission's rules, the original and one copy of this letter, with attachment, are being filed with your office. Acknowledgment and date of receipt of this transmittal is requested. A duplicate of this letter is included for this purpose.

Please contact me should you have any questions concerning this matter.

Sincerely,

cc:

Commissioner Tristani

Paul Gallant

Attachment

No. of Copies rec'd D+1 List ABCDE

Ten Principles for the Promotion of Widespread Deployment of Advanced Services

- 1. ILECs offering advanced telecommunications services on an integrated or separate affiliate basis must not discriminate between affiliated and nonaffiliated ISPs.
- 2. On a per request basis, ILECs will make common cage collocation available on a timely basis at pro rata costs in all central offices where space permits. In each central office where common cage collocation is not available, ILECs will provide, subject to technical feasibility, one of the following alternative collocation arrangements, that the ILEC chooses:
 - (a) Virtual collocation with access to the collocated equipment by CLEC personnel or, at the option of the ILEC, access by approved third party contractors. The ILEC may limit access for repair/maintenance activities by the CLEC or approved third party contractors to those occurrences where the ILEC determines that it cannot clear the reported trouble in less than two hours.
 - (b) Physical collocation through the use of CEV's or other reasonable adjacent structures where the CLEC provides the structure.
 - (c) Cageless collocation with access to the collocated equipment by CLEC personnel or, at the option of the ILEC, access by approved third party contractors.

Where approved third party contractors are used, CLECs may propose contractors for approval by the same process as contractors proposed by an ILEC.

Where ILECs elect to provide cageless collocation or virtual collocation with access by CLEC or third party contractors, ILECs may, with reasonable notice and service assurance provisions, relocate said equipment to common cage collocation space at ILEC expense.

- 3. ILECs will perform necessary loop conditioning subject to mutually agreeable cost recovery terms and conditions and will make available throughout their service territories unbundled DSL-capable loops to the extent technically feasible.
- 4. DSL electronics need not be provided as an unbundled network element when offered on an integrated basis, unless the FCC finds material ILEC non-compliance with advanced telecommunications services collocation and loop unbundling requirements in any of its service territories.
- 5. When advanced telecommunications services are offered as access services, resale at a discount shall not be required.
- 6. The FCC shall allow transfer of ILEC assets, employees and advanced telecommunications services accounts to a separate affiliate without "successor or assign" obligations under Section 3(4)(B) during a transition period not to exceed 12 months to foster deployment and not to penalize ILECs who have deployed on an integrated basis.
- 7. The degree of separation required for an ILEC advanced telecommunication services separate affiliate shall be no greater than that required in Sections 64.1903 and 20.20 of the FCC's rules.

- 8. Advanced telecommunications services provided by an ILEC on an integrated basis shall be price deregulated in a relevant market, no smaller than a MSA, when:
 - (a) The ILEC or CLECs have deployed the requisite equipment in and are offering service from central offices serving at least 50 percent of residential access lines; and
 - (b) The FCC finds no persuasive evidence of the ILEC's material non-compliance with advanced telecommunications services collocation and loop unbundling requirements.
- 9. When offering advanced telecommunications service on an integrated, untariffed basis, ILECs should be subject to existing non-structural safeguards to prevent cross-subsidization among services.
- 10. The FCC shall grant liberal waivers of requests for changes in interLATA boundaries for data services where such changes: (1) would substantially reduce the costs of providing advanced telecommunications services or (2) would alleviate cost problems created by small LATAs (e.g., as in the case of the interLATA boundary modification proposed in the agreement between Ameritech and NorthPoint Communications). When an ILEC is offering InterLATA data services under this waiver, ISPs may utilize the interLATA transport services of an alternative interLATA carrier for purposes of interconnecting with the ILEC's ATM, frame relay or equivalent service.